

of the United States, in accordance with section 515 of title 28, United States Code.

SEC. 8208. DEFINITIONS.

In this subtitle:

(1) **ABNORMAL MARKET DISRUPTION.**—The term “abnormal market disruption” means there is a reasonable likelihood that, in the absence of a proclamation under section 8204(a), there will be an increase in the average retail price of gasoline or petroleum distillates in the area to which the proclamation applies as a result of a change in the market, whether actual or imminently threatened, resulting from weather, a natural disaster, strike, civil disorder, war, military action, a national or local emergency, or other similar cause, that adversely affects the availability or delivery gasoline or petroleum distillates.

(2) **STATE.**—The term “State” means the several States of the United States and the District of Columbia.

(3) **UNCONSCIONABLE AMOUNT.**—The term “unconscionable amount” means, with respect to any person to whom section 8202 applies, a significant increase in the price at which gasoline or petroleum distillates are sold or offered for sale by that person that increases the price, for the same grade of gasoline or petroleum distillate, to an amount that—

(A) substantially exceeds the average price at which gasoline or petroleum distillates were sold or offered for sale by that person during the 30-day period immediately preceding the sale or offer; and

(B) cannot be justified by taking into account the factors described in section —03(b).

SEC. 8209. EFFECTIVE DATE.

This subtitle shall take effect on the date on which a final rule issued by the Federal Trade Commission under section 8205(c) is published in the Federal Register.

Subtitle C—Tax Provisions

SEC. 8301. REPEAL OF THE LIMITATION ON NUMBER OF NEW QUALIFIED HYBRID AND ADVANCED LEAN-BURN TECHNOLOGY VEHICLES ELIGIBLE FOR CREDIT.

(a) **IN GENERAL.**—Subsection (f) of section 30B of the Internal Revenue Code of 1986 is repealed.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall take effect as if included in the amendment made by section 1341(a) of the Energy Policy Act of 2005.

SEC. 8302. EXCEPTION FROM DEPRECIATION LIMITATION FOR CERTAIN ALTERNATIVE AND ELECTRIC PASSENGER AUTOMOBILES.

(a) **IN GENERAL.**—Paragraph (1) of section 280F(a) of the Internal Revenue Code of 1986 (relating to limitation) is amended by adding at the end the following new subparagraph:

“(D) **SPECIAL RULE FOR CERTAIN ALTERNATIVE MOTOR VEHICLES AND QUALIFIED ELECTRIC VEHICLES.**—Subparagraph (A) shall not apply to any motor vehicle for which a credit is allowable under section 30 or 30B.”.

(b) **CONFORMING AMENDMENT.**—Subparagraph (C) of section 280F(a)(1) of the Internal Revenue Code of 1986 is amended by striking clause (ii) and by redesignating clause (iii) as clause (ii).

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to property placed in service after the date of the enactment of this Act.

SEC. 8303. EXTENSION OF ELECTION TO EXPENSE CERTAIN REFINERIES.

(a) **IN GENERAL.**—Section 179C(c)(1) of the Internal Revenue Code of 1986 (defining qualified refinery property) is amended—

(1) by striking “and before January 1, 2012” in subparagraph (B) and inserting “and, in the case of any qualified refinery described in subsection (d)(1), before January 1, 2012”, and

(2) by inserting “if described in subsection (d)(1)” after “of which” in subparagraph (F)(i).

(b) **CONFORMING AMENDMENT.**—Subsection (d) of section 179C of the Internal Revenue Code of 1986 is amended to read as follows:

“(d) **QUALIFIED REFINERY.**—For purposes of this section, the term ‘qualified refinery’ means any refinery located in the United States which is designed to serve the primary purpose of processing liquid fuel from—

“(1) crude oil, or

“(2) qualified fuels (as defined in section 45K(c)).”.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall take effect as if included in the amendment made by section 1323(a) of the Energy Policy Act of 2005.

SEC. 8304. 5-YEAR AMORTIZATION OF GEOLOGICAL AND GEOPHYSICAL EXPENDITURES FOR CERTAIN MAJOR INTEGRATED OIL COMPANIES.

(a) **IN GENERAL.**—Section 167(h) of the Internal Revenue Code of 1986 (relating to amortization of geological and geophysical expenditures) is amended by adding at the end the following new paragraph:

“(5) **SPECIAL RULE FOR MAJOR INTEGRATED OIL COMPANIES.**—

“(A) **IN GENERAL.**—In the case of an integrated oil company described in subparagraph (B), paragraphs (1) and (4) shall be applied by substituting ‘5-year’ for ‘24 month’.

“(B) **INTEGRATED OIL COMPANY DESCRIBED.**—An integrated oil company is described in this subparagraph if such company is an integrated oil company (as defined in section 291(b)(4)) which—

“(i) has an average daily worldwide production of crude oil of at least 500,000 barrels for the taxable year,

“(ii) had gross receipts in excess of \$1,000,000,000 for its last taxable year ending during calendar year 2005, and

“(iii) has an ownership interest (within the meaning of section 613A(d)(3)) in crude oil refiner of 15 percent or more.

For purposes of the preceding sentence, all persons treated as a single employer under subsections (a) and (b) of section shall be treated as 1 person and, in case of a short taxable year, the rule under section 448(c)(3)(B) shall apply”.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall take effect as if included in the amendment made by section 1329 of the Energy Policy Act of 2005.

SEC. 8305. REPEAL OF LIFO METHOD OF INVENTORY ACCOUNTING.

(a) **IN GENERAL.**—Sections 472, 473, and 474 of the Internal Revenue Code of 1986 are repealed.

(b) **CONFORMING AMENDMENTS.**—

(1) Section 56(g)(4)(D)(iii) of such Code is repealed.

(2) Section 312(n)(4) of such Code is repealed.

(3) Section 1363(d) of such Code is repealed.

(c) **EFFECTIVE DATE.**—The repeals made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

(d) **CHANGE IN METHOD OF ACCOUNTING.**—In the case of any taxpayer required by the repeals made by subsection (a) to change its method accounting for its first taxable year beginning after the date of the enactment of this Act—

(1) such change shall be treated as initiated by the taxpayer,

(2) such change shall be treated as made with the consent of the Secretary of the Treasury, and

(3) the net amount of the adjustments required to be taken into account by the taxpayer under section 481 of the Internal Revenue Code of 1986 shall be taken into account

ratably over the 20-taxable year period beginning with the first taxable year beginning after such date of enactment.

Subtitle D—CAFE Standards

SEC. 8401. CLARIFICATION OF AUTHORITY OF SECRETARY OF TRANSPORTATION TO AMEND FUEL ECONOMY STANDARDS FOR PASSENGER VEHICLES.

Section 32902(c) of title 49, United States Code, is amended—

(1) in paragraph (1), by striking “(1) Subject to paragraph (2) of this subsection, the” and inserting “The”; and

(2) by striking paragraph (2).

Subtitle E—Alternative Fuels

SEC. 8501. PRODUCTION INCENTIVES FOR CELLULOSE BIOFUELS.

Section 942(f) of the Energy Policy Act of 2005 (42 U.S.C. 16251(f)) is amended by striking “\$250,000,000” and inserting “\$150,000,000 for fiscal year 2007, \$200,000,000 for fiscal year 2008, and \$250,000,000 for each of fiscal years 2009 through 2011”.

SEC. 8502. ADVANCED ENERGY INITIATIVE FOR VEHICLES.

(a) **PURPOSES.**—The purposes of this section are—

(1) to enable and promote, in partnership with industry, comprehensive development, demonstration, and commercialization of a wide range of electric drive components, systems, and vehicles using diverse electric drive transportation technologies;

(2) to make critical public investments to help private industry, institutions of higher education, National Laboratories, and research institutions to expand innovation, industrial growth, and jobs in the United States;

(3) to expand the availability of the existing electric infrastructure for fueling light duty transportation and other on-road and nonroad vehicles that are using petroleum and are mobile sources of emissions—

(A) including the more than 3,000,000 reported units (such as electric forklifts, golf carts, and similar nonroad vehicles) in use on the date of enactment of this Act; and

(B) with the goal of enhancing the energy security of the United States, reduce dependence on imported oil, and reduce emissions through the expansion of grid-supported mobility;

(4) to accelerate the widespread commercialization of all types of electric drive vehicle technology into all sizes and applications of vehicles, including commercialization of plug-in hybrid electric vehicles and plug-in hybrid fuel cell vehicles; and

(5) to improve the energy efficiency of and reduce the petroleum use in transportation.

(b) **DEFINITIONS.**—In this section:

(1) **BATTERY.**—The term “battery” means an energy storage device used in an on-road or nonroad vehicle powered in whole or in part using an off-board or on-board source of electricity.

(2) **ELECTRIC DRIVE TRANSPORTATION TECHNOLOGY.**—The term “electric drive transportation technology” means—

(A) a vehicle that—

(i) uses an electric motor for all or part of the motive power of the vehicle; and

(ii) may use off-board electricity, including battery electric vehicles, fuel cell vehicles, engine dominant hybrid electric vehicles, plug-in hybrid electric vehicles, plug-in hybrid fuel cell vehicles, and electric rail; or

(B) equipment relating to transportation or mobile sources of air pollution that uses an electric motor to replace an internal combustion engine for all or part of the work of the equipment, including corded electric equipment linked to transportation or mobile sources of air pollution.

(3) **ENGINE DOMINANT HYBRID ELECTRIC VEHICLE.**—The term “engine dominant hybrid